COMMON GROUND:

The Intersection Between Corporate Philanthropy and Arts Organizations in Philadelphia

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COMMON GROUND: The Intersection Between Corporate Philanthropy and Arts Organizations in Philadelphia

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DEDICATION

To Mom and Dad, who make everything seem possible

and

To Andrew – I'm glad you exist

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ABSTRACT

This thesis explores attitudes surrounding corporate philanthropy in Philadelphia, both from the standpoint of corporate entities and from nonprofit arts organizations. The findings within this study demonstrate distinct, disparate perspectives on the corporate giving process, particularly as they relate to the attitudes held by people within corporations and people within the arts. This thesis begins to lay a foundation for giving approaches that best utilize the precepts of corporate social responsibility and explores ways to leverage higher corporate giving potential for arts organizations, focusing on mission-aligned giving, long-term outcomes, community orientation, and individual relationships.

INTRODUCTION

During the first week of graduate school, I took a pretest for an introductory class in arts administration. On that pretest, students were asked to choose which of four categories – individuals, foundations, government, or corporations – provide the largest amount of funding to the arts in Philadelphia. *That's easy*, I thought, *the ones who have the most money, i.e. corporations, will be the ones providing the highest level of funding*. This, I quickly learned, is not the case.

In Philadelphia, the highest levels of giving come from individuals and foundations, providing 13.5% and 12% of contributed revenue, respectively (Portfolio 2014). This support, however, suffered significantly throughout the Great Recession and beyond, and while some levels of funding have slowly climbed, other funding levels have continued to drop. In Philadelphia, from 2011-2013, subscription revenue declined 20% and individual giving declined 12%. With 40% of Philadelphia area arts and cultural organizations reporting deficits in Fiscal Year 2013, the Greater Philadelphia Cultural Alliance warns that "many cultural organizations remain at financial risk" (Portfolio 2014). These statistics outline that many of the current funding models for arts and cultural organizations, which rely heavily on a combination of individual giving, foundation funding, and governmental support, are not consistently creating financially sustainable outcomes for art and arts programs. These numbers also mean that organizations in financial crisis must look critically at the need for funding and support, or risk ending operations.

Corporate funding makes up just 2.2% of contributed revenue for arts groups in the Philadelphia region, and has declined 23% since 2011 (Portfolio 2014). The percentage of corporate giving to the arts within Philadelphia is slim, and the picture darkens when compared to national averages of corporate giving to the arts: the National Endowment for the Arts cites corporate giving as 8.4% of the total income for arts organizations, and it makes up 18.7% of the contributed revenue to arts organizations (Woronkowicz 2012, and Appendix A). Why is that percentage so small within Philadelphia? What are the factors that have influenced corporations either to invest or divest, and what makes the arts an attractive or unattractive philanthropic investment?

As corporate funding has shrunk for arts organizations, "corporate social responsibility" ("CSR") has become an increasingly important strategic area in outlining corporate philanthropy goals (Kotler and Lee 2005). Definitions of CSR vary from corporation to corporation, but often pull from a combination of factors, including environmental concerns, the relationship between a corporation and society, socio-economic or financial aspects, stakeholder relationships, and the voluntary nature of the philanthropy (Dahlsrud 2008). The philanthropic goals embedded in the practice of CSR are becoming increasingly important for arts organizations who wish to receive corporate funding, as corporate philanthropy is trending towards strategic philanthropy, or deliberately planned, mission-aligned giving that makes a measurable impact on the community (Stern 2014).

Arts and cultural organizations are in need of increased funds, so could corporate support through CSR be one available revenue stream? Are arts and cultural organizations already tapping into the CSR funding stream, matching a corporation's strategic CSR goals? And if arts and cultural organizations are not falling into a corporation's philanthropic strategy or cannot make the argument of being a part of CSR strategy, will the arts sector continue to see an even greater decline in corporate funding? This thesis seeks to begin to answer questions of corporate motivation and corporate philanthropy within Philadelphia's arts sector, examining corporate arts giving through a CSR lens, and exploring whether there is an intersection between corporate socially-driven philanthropy and the arts organizations that are enlivening their communities.

RESEARCH QUESTIONS AND METHODOLOGY

I began with a large question: how can arts organizations in the Philadelphia region leverage current programming to be a part of the corporate social responsibility movement? I sought to find out how arts organizations can determine the best programmatic fit for potential corporate funders, how successful corporate-partnered arts organizations measure and determine impact, and what issues arts organizations struggle with when finding a good corporate match. Finally, in order to fully understand the corporate perspective and provide the most useful information to arts organizations interested in corporate support, I wanted to learn what information corporations seek, to understand when corporations as donor become too influential, whether corporations seek programmatic control, and what are measures, if any, can be put in place to limit programmatic influence.

My methodology involved multiple case studies of corporations with headquarters in the Philadelphia region or with significant presence in the Philadelphia region, and I spoke with corporate philanthropy officers in organizations that are known for their arts investment, as well as corporations that are not known for their arts patronage. After seeking the advice of the Arts + Business Council, I spoke with representatives from PNC, A.C. Moore, and Ernst and Young to gauge the funding landscape from the corporate viewpoint. From there and to understand the story of corporate funding from the arts organizations' perspectives, I used a snowball sample (Creswell 2014) and spoke with representatives of small, mid-size, and large Philadelphia area arts organizations that receive corporate funding, including the Philadelphia Museum of Art, The Arden Theater Company, Philadelphia Young Playwrights, FringeArts, and Art Sanctuary.

After speaking with the representatives, I transcribed the interviews and coded the themes from each interview to understand the overall attitudes and habits within the field. The findings within this study demonstrate the distinct, disparate perspectives on the corporate giving process, highlighting the divergent attitudes towards corporate arts giving held by people within corporations and people within the arts. This thesis begins to lay a foundation for giving approaches that best utilize the precepts of corporate social responsibility for higher corporate giving potential to arts organizations, with a focus on mission-aligned giving, long-term outcomes, community orientation, and individual relationships.

LITERATURE REVIEW

OVERVIEW OF TRENDS IN CORPORATE PHILANTHROPY

Andrew Carnegie, the father of the major philanthropic gift (Dobkin 2010), sparked the field of philanthropy as it is currently known in the United States, emphasizing large gifts as the spur of social innovation and arguing that those with fortunes should shoulder the social responsibility attached to extraordinary wealth (Carnegie 1899).

The donations associated with immense personal wealth eventually transformed into donations through corporate foundations, though the foundations often stemmed initially from the individual fortunes amassed by the pillars of the Industrial era. In the "golden age" of corporate philanthropy, often cited as the late 1940s, 1950s and early 1960s, leaders at Chase Manhattan Bank, General Electric, and Cummins Engine established giving programs to enhance life in their communities, frequently providing unrestricted operating support (McClimon 2004). Donating to their community was considered the "right thing to do," and corporate donations often went to organizations aligned with the executive staff's knowledge and interests (Levy 1999). In the arts world, one of the main drivers of corporate philanthropy was the Ford Foundation, and the lasting impact of the Foundation has been implicated, at least in part, for the lack of alternate funding infrastructure currently found in many nonprofit arts organizations (Evans 2010). Philadelphia in particular has felt the long-term consequences of over-reliance on foundation giving. In 2014, a TDC report commissioned by the William Penn Foundation warned of the consequences of a dependence on foundation funding in

Philadelphia in terms of the long-term sustainability of the arts and culture sector. The report stated:

> “Major foundations have refocused their giving away from the region or away from the arts; key giving initiatives have been discontinued; and formerly reliable sources have dried up.” (Nelson et al 2014)

While altruism remained a motivator in corporate giving to the arts, in the 1970s, corporate funding to nonprofits in general began to undergo another shift. From the 1970s until the Great Recession, the primary philosophy driving corporate decision-making was shareholder value, or the practice of achieving the highest quarterly returns on corporate stock prices. Economist Milton Friedman argued in a landmark opinion piece in the New York Times Magazine that businesses have no social responsibility (calling that “socialism”), but solely an obligation to increase shareholder profit (Friedman 1970). In search of that shareholder primacy, Friedman opined that donation is a function of the person donating, not of the corporation, claiming that a donation is “spending someone else’s money for general social interest” and going so far as to call corporate donation to nonprofit organizations “theft” (Friedman 1970). This influential essay helped to shape the way corporate giving developed: when looking at value-creation, corporations began making strategic choices that increased value to the corporation, as opposed to society at large, and the idea of corporate giving having a strategic value of increasing corporate profits began to emerge (McClimon 2004).

The extreme primacy of shareholder value and the risk that institutions undertook to drive value upward in pursuit of shareholder value was one of the causes of the Great Recession (FCIC 2011), and in the aftermath of the near collapse of the world economy, the philanthropic priorities of corporations, in conjunction with the strategic priorities of corporations, have undergone further development. After the Great Recession, "customer-driven capitalism," or the idea that a corporation's long-term financial success is tied to customer satisfaction with a corporation, rather than a return on shareholder investment, started to gain wider appreciation and recognition (Denning 2013). Customer-driven capitalism relies on the principle that without the purchase of services or products, the corporation fails, and therefore needs the consumer as an active buyer and participant. In this customer-focused approach, philanthropic giving is viewed as part of the overall corporate strategy, a way to attract a larger pool of customers, as positive corporate image and behavior are viewed as a part of customer choice and customer happiness.

Corporate social responsibility can be viewed as a derivative of both trends of thought: the idea of philanthropy increasing monetary value stems from shareholder value economics, while the need for philanthropy to be linked with increasing societal awareness and approval of corporate actions stems from the economic philosophy of customer-driven capitalism.

Garriga and Melé's (2004) research emphasizes this dual philosophical source by highlighting the four drivers of corporate social responsibility: the creation of wealth, the social power of the corporation, the societal demand for a product or consumption, and the ethical interplay of business and society. These four drivers combine both monetary and social objectives, and indicate the direction that corporate philanthropy may continue to take. Within the framework of both share-holder value and customer-driven capitalism, corporate social responsibility mandates focus on mission-aligned giving, and it becomes increasingly important for nonprofit organizations to showcase their mission alignment in order to be the recipient of corporate funding.

CORPORATE PHILANTHROPY IN THE ARTS

"Companies aim to drive measurable societal impact with each grant, and many focus efforts on single program areas with the hope of moving the needle on specific societal problems. Where companies are moving to a single-focus strategy, arts and culture are likely to be sidelined as companies favor causes where the social need is more apparent."

- Michael Stroik, *Giving in Numbers: 2014 Edition*

There are five "dimensions" most frequently encompassed by CSR definitions: environmental, social, economic, importance to the stakeholder, and voluntariness of the donor's action (Dahlsrud 2008). Corporate consideration of giving to the arts, however, does not consistently fall into the five CSR category areas. While corporate philanthropy has transformed itself into strategic philanthropy encompassed by corporate social responsibility goals, the reasons cited for corporate giving to the arts have not undergone a similar major thought transformation.

A review of the literature finds that corporate giving to arts organizations generally falls into three categories which are not necessarily CSR-aligned: the altruism model of the 1950s and 1960s, the importance of personal relationships between individuals at the corporation and the arts organization, and the visibility potential of an association with the arts organization.

Post-recession giving is on the rise, but arts organizations are not reaping the benefits (Belk 2013; Stroik 2014). Businesses are not prioritizing the arts, and when businesses do donate to the arts, their reasons are not strategic, per se, but because it's the "right thing to do" (Coady 2012). This sentiment ties directly back to the giving models of the 1950s and 1960s, when corporate giving was more frequently tied to an improved society than strictly for business profits. This emphasis on altruism may be the death knell for increased corporate giving in the age of strategic philanthropy: corporations are increasingly motivated not by pure altruism, but by a nonprofit's alignment with the corporation's mission.

As corporations conduct their philanthropy for strategic purposes, customers have come to question corporate philanthropic motives. The customer's perception of the CSR act becomes even more important, then, than the actual corporate social responsibility donation behavior. Customers increasingly evaluate corporate philanthropy in relation to a corporation's mission, corporation's motive, and the timing of the corporation's communication efforts – i.e., whether the corporation is responding to negative press, or is leading the way on an issue (Becker-Olsen et al 2006). While "80% of respondents believed firms should be engage(d) in social initiatives" (Becker-Olsen et al 2006), it has to be the right match, with transparent motives, and before bad press. With this three-tiered matching system, it is more important than ever that arts organizations demonstrate how they fit into the corporation's mission if they wish to receive funds. However, only 13% of corporate CEOs believe that giving to the arts meets their corporate mission (Shugoll Research 2012). This statistic is particularly concerning in light of the strengthening trend of mission-aligned strategic philanthropy. To be viable in the current corporate philanthropy climate, arts organizations must emphasize the corporate-mission alignment that occurs by investing in the arts.

Altruism guides some corporate arts giving, and personal connections are another prominent driver. Corporate funding for the arts is based, in part, on the key decision makers within the corporation (Daellenbach et al 2013). Individual decision makers possess acquired expert knowledge, enthusiasm, and the skill to shepherd the potential grantee through the process, but without a connection to that decision maker, it is still difficult to achieve funding, much as the corporate funding giants of the 1950s and 1960s directed funds to projects to which they had a direct, personal connection. In 1998, File and Prince looked at trends in 478 businesses in the New York/New Jersey/Connecticut tri-state area that support arts organizations and found that corporate giving to the arts was often an extension of the CEO or Executive Director's personal philanthropic tastes (File and Prince 1998). After 15 years, the phenomenon of personal direction in arts philanthropy is still in evidence: in 2013, 33% of CEOs reported that their corporate arts giving was driven by an existing relationship with someone at the arts organization (Shugoll Research 2013), showing that knowledge of an organization and its personnel is still crucial to a third of the corporate arts funding decision makers. Corporate philanthropy to nonprofits in general, however, is moving away from the individualistic philanthropy model towards an overall strategic alignment between nonprofit and corporate missions. Since the tide is turning away from this type of personalization of giving, arts organizations may be left in the lurch as corporations strengthen their donation strategy - and the arts and culture sector, not used to showcasing themselves as aligned with the corporation's mission, could be left out.

The third component of corporate arts giving is the extent to which corporations visibly benefit from their association with the organization, which occurs most frequently in one of two ways: an increase in status through association with an organization and a demonstrable community impact. Gifts confer status on the gift-giver (Alexander 2014), showcasing a corporation's prominence, place, and influence within their community. The appearance of giving as a status symbol has led to an interesting phenomenon: corporate giving to arts and cultural organizations has a direct correlation with spending on advertising (LeClair and Kelly 2000). Since the study found no correlation with advertising expenditures in other categories such as education, health, and civic/community causes, LeClair and Kelly conclude that publicity for an organization is therefore a significant driver in corporate arts giving. Having public attention as a driver for giving has both positive and negative aspects. When corporate donations to cultural organizations work positively, they are often in conjunction with large organizations. These organizations have a far-ranging audience reach, and are more likely to receive corporate sponsorship, as their exhibitions or performances have the high audience attendance that turns corporate giving into both a status symbol and a smart marketing investment.

The negatives of being associated with art, however, are also present. If the exhibition rankles public taste-makers, the negative association tarnishes the corporation's image. No examination of the impact of negative association of corporate arts funding is complete without a mention of the "culture wars" of the late 1980s and early 1990s. A lack of public confidence in major arts institutions (particularly following the "Sensation" exhibition at the Brooklyn Museum) was a major reason that large corporate funders distanced themselves from arts giving in the 1990s (Riley 2000). Riley was writing in 2000, however, his observations are still relevant: corporations continue to distance themselves from controversial arts funding opportunities, often because funding controversy paints the corporation as out of touch and insensitive, rather than a positive impact-generating community member.

In line with CSR strategies, corporations are considering the social and stakeholder implications of their business donations, and small and mid-size arts organizations could be prime candidates for corporate mission alignment in these two categories, though oftentimes, arts organizations are not yet making a compelling argument. A small pool of corporations that support the arts through their corporate social responsibility measures cite enlivening the community through quality of life, local vibrancy, and community-wide educational opportunities as the major factors for consideration (Shugoll,2013), though that reasoning is not yet widespread enough across corporate donors and communities. The arts community is beginning to make strides to speak about itself in terms of community impact (Brown and Ratzkin 2013), but there is still a long way to go in terms of measuring and communicating that impact.

HYPOTHESES

If the arts sector were better at communicating their community-based impact, highlighting their alignment with the social, economic, stakeholder, and voluntariness components of CSR definitions, it would be easier for corporations to understand how corporate and arts organizations' missions align and impact the community at large. The corporate sector has been trending towards donations to education and economic development nonprofit organizations in their CSR goals (Stern 2014), but the arts often make significant strides within education and can be a catalyst for economic development, and could capitalize on those aspects as they seek corporate donations. I believe I will find room for improvement in describing the community-based activities occurring in the arts sector, improvements in communication that can be made without altering an arts organization's programmatic activities or core identity.

In examining corporate support in Philadelphia, I believe that I will run into several additional factors. First, there are fewer corporations with large headquarters in the Philadelphia region than in cities of comparable size. Corporations frequently donate based on the impact that they can have on their local community, and look at ways to enhance life within their community as part of keeping and attracting a talented workforce (Stern 2014). Without that large base of corporate support, the potential funding pool shrinks. Second, within the Philadelphia area, there are many pressing social needs, including the abysmal failures and overwhelming poverty of the Philadelphia school district. As corporations frequently give where they can see the largest measurable impact, the arts sector may not be clearly showing their impact on alleviating poverty and furthering education, losing out to other educational programming when corporations divvy up their philanthropic output.

CHAPTER I: THE CASE STUDIES: CORPORATIONS AND ARTS ORGANIZATIONS

PNC Bank

When talking about corporate arts funding in Philadelphia, arts organizations uniformly point to the support found at PNC Bank. PNC Bank is headquartered in Pittsburgh, PA, but has a large regional presence in the Philadelphia area. Jean Canfield, Senior Vice President and Director, Client & Community Relations at PNC, spoke with me for this thesis.

PNC's large arts initiative, Arts Alive, began in 2009, just as the country was reeling from the financial impact of the Great Recession. Originally slated to run five years, PNC was pleased with the success of the initiative, and has continued funding Arts Alive for a sixth and seventh year. While PNC had invested in arts organizations in the Philadelphia region before Arts Alive, this initiative codified the bank's goals, which were to invest in initiatives that opened up the performing and visual arts to new audiences. The bank designed the strategy around long-term planning, requiring arts organizations to present a compelling need for funding as well as goals and a timeline for the proposed project. This was, again, a departure from their earlier funding, which had, according to Ms. Canfield, been reactive and request based. Throughout my research, arts organizations immediately mentioned PNC when I asked arts leaders to name corporations that led arts giving, and often mentioned Ms. Canfield by name as a corporate leader who "gets it" or is cognizant of the needs of arts organizations and an advocate for arts funding.

Ernst and Young

Ernst and Young was not on my initial list of corporations to investigate, but I was directed to them through an initial interview with Eileen Cunniffe (Arts + Business Council of Philadelphia). Ernst and Young, an accounting firm, is a national organization and has a regional presence in Philadelphia. Ms. Cunniffe was familiar with Ernst and Young through their annual participation in the Business on Board training run by the Arts + Business Council. Speaking with Piper Kelly, Assurance Senior Partner at Ernst and Young, provided an interesting look at the corporate view of the tangential benefits of employee volunteerism and engagement, particularly as it pertains to the arts. Ms. Kelly also spoke about corporate motivations in giving, providing some fascinating insights into the planning and long-term goals for corporate giving.

A.C. Moore

A.C. Moore, the arts and crafts supply store, is headquartered across the Delaware River from Philadelphia in Berlin, NJ, and has a presence throughout the East Coast of the United States. As a regional company with a new corporate management that took over three years ago, A.C. Moore is re-tooling the way it provides corporate support, and specifically calls their initiatives "corporate social responsibility." I spoke with Elena Piperno, the corporate social responsibility manager at A.C. Moore, about how their partnerships with nonprofit organizations are moving towards CSR goals, and particularly about how their partnership with local nonprofit Fresh Artists solidified the importance of localized, mission-related giving to A.C. Moore.

ARTS ORGANIZATIONS

During the interview process, I asked each interviewee if there was anyone else in the corporate field or the arts field that might provide an interesting perspective on corporate giving, providing me with a "snowball" sample (Creswell, 2014). Three of the following artistic organizations were interviewed as a result of that interview process, and the remaining two organizations were added to provide a more balanced sample across artistic genre and budget size.

The Philadelphia Museum of Art

One of the largest and most prominent organizations in Philadelphia, the Philadelphia Museum of Art (PMA) has a large staff of development professionals committed to diversifying funding streams. Elizabeth Tawadros, director of corporate giving, spoke with me about the ways in which she and the museum tailor proposals to corporations based on their interests, but moreover, ways in which corporate giving is an extension of individual giving, a theme that played out across all of my interviews.

The Arden Theater Company

The Arden is one of the larger theaters in Philadelphia. It holds a 5-6 show season of diverse programming, ranging from plays to musicals, and classics to new works, and is highly regarded for its quality of work. The theater holds a large range of educational programming, which also is well-regarded within the Philadelphia region. I spoke with Mimi Meserve, the development manager at The Arden Theater, who has experience with corporate giving both within the Philadelphia and New York City regions. Like Ms. Tawadros, Ms. Meserve focused on the ways in which she tailors proposals to meet corporate specifications, and also emphasized the importance of the individual in corporate giving.

Philadelphia Young Playwrights

Philadelphia Young Playwrights (PYP) provides educational programming both within classrooms and through playwriting festivals outside the classroom, serving 2000 students across Philadelphia. My contact, Glenn Knapp, executive director of PYP, spoke passionately about the culture of giving in Philadelphia, a culture he finds lacking, and explored some of the reasons that he felt Philadelphia fell to the bottom in terms of its current corporate giving. Mr. Knapp introduced the concept of relationship management into the discussion, giving a name to the network-building themes that his colleagues all stressed as important, and spoke at length for the need for all executive directors to invest in building a strong network of professionals who are interested in the organizational and personal success of the arts leader.

Art Sanctuary

Art Sanctuary focuses on the transformative power of black art. It provides educational and community-based programming, as well as exhibits works of black artists in its gallery space. Valerie Gay, the executive director of Art Sanctuary, was my contact for this thesis. Ms. Gay outlined the importance of relationships within the arts world, and as a native Philadelphian, pointed to some theories as to why Philadelphia does not have the robust corporate giving scene of other regions.

Fringe Arts

Fringe Arts presents contemporary and experimental performances. Known for their 17-day Fringe Arts Festival, the organization moved into a permanent home in 2013, and now offers year-round programming. Nick Stuccio, executive director of Fringe Arts, was my contact for my thesis research. Mr. Stuccio, like all of his arts world colleagues, placed the greatest amount of emphasis on individual relationships and building a network of successful people that attract other successful people to the organization.

Advisors

In addition to the organizations outlined above, I spoke with two field experts, Eileen Cunniffe, from the Arts + Business Council of Philadelphia, and Suzanne Hilser-Wiles, a development consultant. Ms. Cunniffe has a background in corporate giving, having spent almost 20 years working for AstraZeneca and running much of the corporate giving program in Wilmington, Delaware. Ms. Cunniffe currently runs the Business on Board and Business Volunteers for the Arts programs for the Arts + Business Council, and was an invaluable resource in helping to identify organizations that had arts-related giving initiatives. Ms. Hilser-Wiles, who has spent time working with arts and non-arts nonprofit organizations, was able to give me a field-wide perspective of trends in corporate and individual giving, helping to put my research into its larger context.

CHAPTER II: THE SCENE: PHILADELPHIA

Arts leaders believe that Philadelphia lags behind other cities and regions when it comes to charitable giving. Early in our interview, Glenn Knapp (Philadelphia Young Playwrights) stated, “Philadelphia is last in the landscape nationally in individual and corporate giving.”

Mr. Knapp’s supposition is strengthened by fact: corporate support in Philadelphia is called a “notable weakness” (RAND 2007), and, in an 11-city study, Philadelphia was found to have one of the lowest levels of corporate giving (Portfolio 2015). Without knowing the above data points, however, arts leaders intuitively hone in on the underperforming individual and corporate sectors and state their perception as fact. Given that the collective understanding of low regional funding was so strong, I asked arts leaders why they thought the percentage of giving in the Philadelphia region was so low. The range of answers is fascinating, occasionally cohesive, and points to a number of different factors that leaders in the arts world believe are influencing corporate giving in Philadelphia. Identifying some of these factors is key to understanding whether there is indeed a shift going on in the corporate giving world. Many of these trends tie back to CSR concepts, specifically, a focus on the mission and brand-aligned giving, an awareness of the community’s principles and values, and a desire to be viewed as a proactive and thoughtful corporate citizen.

Poverty

Arts leaders opined that the overall poverty of the Philadelphia region has influenced where corporate funds go, and other factors, particularly education, are overwhelmingly in need. Corporate support follows this trend, and every institution that I talked to has an educational component in addition to their other focus areas. Education is a hugely important part of CSR trends, particularly as it strengthens a community in a very visible way, and this shift within Philadelphia could be indicative of a sector leaning towards a "social responsibility" approach to giving.

While arts organizations often touch civic issues, either directly or indirectly, the value placed on arts-based civic interventions seems to be generally not strong. Value, in this case, derives both from a corporate viewpoint of the subject and from a societal value of an artistically-based civic service. When compared head-to-head with programs that intercede in major, visible issues such as homelessness, education, or hunger, arts groups are having trouble competing for corporate programmatic dollars. When considered through a social responsibility lens, arts programs, though they frequently have educational and community-based programming that is civically-minded, are not given priority over other civic issues. At institutions where education or community-based programming is not the primary focus, such as the larger fine art institutions, corporate donations are even less frequently considered through the mindset of CSR.

The "Quaker" Mentality

Philadelphia, the city of brotherly love, was founded by Quakers in 1682. Several interviewees brought up the Quaker mentality of hard work and simple living, citing the individualistic mentality as pervasive throughout the Philadelphia region, and a key factor influencing the level of giving from individuals and corporations alike. Applying the idea to nonprofits, that they should make do with just enough and lots of hard work, has cultivated an atmosphere of giving that is adequate, but not viewed as generous at a level with cities across the country. The Quaker mentality does not correlate to general corporate social responsibility principles, but many arts leaders used this language to frame the low levels of giving expected among the city's individuals and corporations.

The Philadelphia Mentality

The Philadelphia mentality, or the idea that the city is not worthy enough, was cited by several leaders as an influence on attitudes about giving. The Philadelphia mentality, as described by two different arts leaders, is comprised of two parts: the "chip on the shoulder" and the strength of neighborhood connection over city-wide connection.

Mr. Knapp (Philadelphia Young Playwrights) posited that Philadelphia's city-wide chip on the shoulder goes back centuries: from the moment that Philadelphia was shoved aside for Washington, D.C. as the nation's capital, Philadelphia has played second-best to the surrounding cities. This second-best attitude can be felt from all of the arts institutions in the city - the city as a whole is living in the artistic shadow of its larger, flashier, more arts-invested big sister, New York. While the large institutions in Philadelphia are excellent, often world class institutions, they have not achieved international fame on par with arts institutions in New York, and in some cases, Washington D.C. When wealthy individuals or corporations in the Philadelphia area are seeking ties to the highest level of art making to enhance their reputation, New York City arts organizations often draw donors' attention from Philadelphia institutions.

In addition to fighting against the second-best perception, several arts leaders mentioned the neighborhood patchwork of the city as a factor in city-wide donation. Native-born Philadelphians strongly identify with their neighborhood and community, whether it is the predominantly Polish-Catholic area of Northeast Philadelphia or the vibrant Asian communities centered in Chinatown. Valerie Gay, executive director of Philadelphia's Art Sanctuary, posited that people were much more likely to donate to organizations that resonated with the ties within the neighborhood. Speaking of the black community, Ms. Gay identified neighborhood churches and schools as the primary donation areas, noting that religion and education tie the neighborhoods together, and so get the largest attention from the community. With that inward focus, each community is attempting to support itself, and not looking outward at the city as a whole.

Ms. Gay and Mr. Knapp both cite a lack of hometown pride as a contributing factor to low individual and corporate donation levels. Mr. Knapp gave a rough estimate that of emerging leaders in Philadelphia, approximating that 70 percent are from outside of Philadelphia. While verifying this statistic is impossible, as is finding an equivalent statistic for another city, Mr. Glenn thought that this also contributed to Philadelphia's lack of investment or interest in itself - a lack of "hometown pride." This line of reasoning actually falls counter to many of the ideas of CSR, specifically the idea that corporations should attempt to make an impact in their local communities, being the standard bearer for good citizenship.

Corporate Headquarters

In investigating corporate responsibility practices, I frequently came across the concept of mission alignment, ie, corporations give to nonprofit organizations that advance the corporate mission. From the corporate viewpoint, it's a way of being strategic and authentic, giving back to the issues that matter most to their corporate core. Several arts leaders, including Eileen Cunniffe (Arts + Business Council) and Glenn Knapp, cited the decreasing number of corporate headquarters in Philadelphia as one of the reasons for low giving numbers. The area has seen some mergers and some corporate headquarters leave the area, but in the past few years, Philadelphia has actually attracted new corporate headquarters. The majority of industries that have been attracted, however, such as technology companies and pharmaceutical corporations, have not traditionally aligned themselves with arts giving, and even more so, under CSR precepts, are generally giving to technological-educational nonprofits or healthcare nonprofit organizations, respectively. When technology or pharmaceutical companies give to arts nonprofits, they are generally giving in sponsorship or advertising dollars. While sponsorships can follow CSR principles, a sponsorship is more traditionally about reaching audiences through aligning arts organization demographics with a corporation's target demographic audience.

Foundation Dominance

In examining Philadelphia's giving scene, many arts leaders also brought up the number of foundations in the region that have supported the arts over the past 50 years. Arts leaders hypothesized that since foundations provided much of the funding to arts organizations, individual and corporate donors felt they were off the hook, and concentrated their time and resources elsewhere. This sentiment is a direct echo of the 2014 TDC report (Nelson et al 2014) that warned of the imbalance of foundation funding in the Philadelphia region. While this falls outside the general scope of CSR, it gives insight into regional corporate giving, showing a possible explanation for the low levels of corporate support for the arts in Philadelphia.

CHAPTER III: AREAS OF IMPORTANCE: STRATEGY, BRAND, RELATIONSHIPS

When viewed from the corporate angle or the arts organization angle, leaders from both industries focus on two aspects: corporate strategy and the importance of individual relationships. The fascinating thing, however, is that corporations emphasize the former, and arts organizations emphasize the latter.

THE CORPORATE VIEW OF ARTS GIVING IN PHILADELPHIA

The principles of corporate social responsibility include: an awareness of the local community; a wish to be viewed as an active, thoughtful participant; a consciousness of alignment between giving and the company's mission or brand; and a desire to be viewed as proactive corporate citizens. The corporations I studied and spoke with talked about giving exactly within the above concepts, though they rarely used the term "corporate social responsibility." I quickly discovered that while the philosophical shift in philanthropy towards CSR principles was prevalent, it was a shift towards the principles, not the specific wording of corporate social responsibility, except in the case of A.C. Moore.

Strategy and Brand

From a corporate angle, all giving is viewed through the lens of continued strategic planning. Post-Recession, businesses are considering philanthropic giving through a strategic, brand-strengthening lens, which is, again, in line with the hyper-focused giving philosophy of CSR. Corporations interviewed for this thesis emphasized giving in light of aligning a nonprofit's mission with a for-profit's mission, a focus on corporate appearance within the community, and in one case, art as an economic driver.

Mission-Based Strategy

Across the board, in person and in printed materials, corporations and their representatives state explicitly and implicitly that their corporate giving must create a strategic alignment with their company's mission. After the Great Recession, as Belk noted (Belk 2013), corporations increasingly examined and shifted their giving policies, tightening their belts in the interest of cutting "excess" and focusing on giving where strategic alignment and impact could be noticeable, proactive, and mission-aligned. When corporations examine nonprofit giving, they are looking for this strategic alignment before they give.

The three corporate representatives I spoke with emphasized this crucial portion of corporate social responsibility, though only in the case of A.C. Moore were the words "corporate social responsibility" used to demarcate this core CSR value.

PNC views giving to arts organizations as a strategic choice that is directly in line with their role as a regional wealth generator. Ms. Canfield stated early in our conversation:

> "I think what's happened in the corporate philanthropy sector over the past 15 years or so is that we and most other corporations have become more focused on what's important to us."

Ms. Canfield outlines a central principle of CSR: identifying the core principles of the organization, and donating to organizations who fall within those principles. For PNC, giving to the arts matches with their mission: it is giving in a way that increases regional wealth, increases visibility among potential clients, and puts them at the forefront of an area where very little noticeable corporate support exists.

In speaking with Piper Kelly (Ernst and Young), Ms. Kelly emphasized that the basis of Ernst and Young's philanthropic output is a person-centric strategy:

> "Our assets are our people. Our strategy is building a better working world."

Ms. Kelly was paraphrasing Ernst and Young's mission when she told me that they start by investing in building their human resources. Very much in line with their mission, Ernst and Young has a large focus on professional development, and their corporate philanthropy is often directed at building individual careers and improving the skills of their staff. They view their employees' participation in arts philanthropy, specifically in the Arts + Business Council's Business on Board and Business Volunteers for the Arts programs, as a way for employees to build skills and a personal and professional network - ie, investing in their own staff. This strategic choice for philanthropic investment is exactly in line with their core corporate value of investing in people, again, very much in line with CSR standards.

A.C. Moore is new to the corporate social responsibility lingo, having just opened their CSR office a little over one year ago. Elena Piperno stated:

> "As we're moving forward in our CSR initiatives, we're trying to streamline what we do as a company and what's important to us."

Again, this quotation illustrates a core principle of CSR: the corporation is looking first at their internal DNA, and then deciding how to give based on their self-determined values. These three corporations, while not all using the CSR lingo, are looking at their donations to nonprofits through a CSR framework, focusing on matching the corporate and nonprofit mission to maximize alignment.

Brand and Appearance

Corporations start with their own core values, and then look externally at the community to determine giving priorities for maximum community impact at the local level. The external focus happens in two major areas: the impact on perceived quality of life that the corporation contributes to its surrounding community and the corporation's perceived stature in the community.

When reflecting on the quality of life in a community, Eileen Cunniffe (Arts + Business Council), spoke about her time as Director of Community Relations at pharmaceutical manufacturer AstraZeneca. Corporate giving at AstraZeneca was extremely influenced by this idea of creating a vibrant community:

> "One, they want to be seen in the community as contributing to the quality of life and making the place an attractive place to live and work and play, and two, they want, when their employees go out to see a play, they want their employees to feel proud that they work for that company that has supported that kind of an activity within their community."

The quotation reveals an immense tangential benefit to giving, especially as it relates to creating an attractive community. Ms. Cunniffe, Ms. Canfield, and Ms. Kelly cited cultural vibrancy as one of the key draws to the Philadelphia area, and emphasized that they saw their corporate support of the arts as one of the ways to make their community a more attractive place to live, therefore attracting a higher caliber of employee. In the arts field, we make the argument that the arts create vibrancy. After speaking with these corporate representatives, I realized that arts organizations could take a step further, and focus on the tangential benefits of a thriving arts scene: it attracts a creative, innovative set of people, giving corporations a larger, potentially more qualified hiring pool.

Related to making a community attractive for potential employees, the corporate mindset views giving as a long term investment, particularly in that they are looking at what factors will create the best cadre of potential employees and potential customers within their community in the long term. Speaking about PNC's Grow Up Great education initiative, an initiative that is mandated across PNC's 35 regions, Ms. Canfield (PNC), stated:

> "As a company, we need those children from underserved populations to be better educated, because we need them to be our employees some day and we need them to be our customers some day."

PNC is clearly thinking about their giving in terms of long-term community effect, and as an organization, recognize that their donations can play a part in determining the economic future of the region – as well as their own economic future as a corporation with potential clientele.

This theme came up again in my conversation with Ms. Kelly (Ernst and Young). Ms. Kelly sits on the board of an area nonprofit, and while she appreciates the executive director's passion, she has come to the conclusion that his corporate pitches are not effective. Ms. Kelly commented that the pitches are tailored to show how the children grow up to be playwrights, and while that's certainly a valuable outcome, it's not one that's interesting to the corporation - they aren't going to hire a famous playwright. Ms. Kelly remarked that it would be a much stronger pitch to talk about how many students "go to Harvard," and even, down the road, how many students are hired by places like Ernst and Young.

I found this line of thinking fascinating and never explicitly stated in my primary research as a motivation for giving. Both Ms. Canfield and Ms. Kelly are specifying that corporate donations are, in part, a way to facilitate a stronger future workforce, which in turn, gives them a stronger candidate pool to draw from in their long term hiring plan. Given that this was not mentioned explicitly in national research, the overwhelming poverty of the Philadelphia region and the limiting potential it places on its citizens may be affecting corporate priorities in these cases. It is beyond the scope of this thesis, but further research into tailoring arts organizations' funding pitches to the long term goal of workforce development, and the general effectiveness of doing so in the Philadelphia region, would be fascinating.

In addition to the focus on creating an attractive community, corporations are interested in reflecting the interests of the community and listening to (or appearing to listen to) customer feedback. A corporation's interests rely heavily on the consumer perception of the corporation's contributions and reputation within the community. A strong brand relationship between the corporation and a community perception of "goodness" is part of the CSR giving shift. The corporate representatives interviewed in this study emphasized the notion of reputation and community perception. Ms. Cunniffe, talking again about her time at AstraZeneca, stated:

> "We kept doing things there so the people would feel good about the company's presence in their community."

Her statement encapsulates the idea of positive brand association - corporations want their communities to have a positive view of corporate work, and will keep giving to maintain that positive brand association. This push for positive community recognition may be one of the reasons that giving is becoming a hyper-local activity: the three corporations I spoke with emphasized that giving has directives from the corporate center, but that local offices are encouraged to give with the makeup of the local community in mind. The three corporations I spoke with referenced that education was a pillar of each corporation's philanthropy, and, as noted Stroik noted (Stroik 2014), educational giving is on the rise. But each corporation emphasized that beyond education, the local market determined the other areas of giving.

Each organization is paying close attention to their own narrative, and to controlling its own corporate story on a local level. Giving that reflects the interests of the community is an easy sell back to the community, as the corporation is engaging in what community members say matters most to them. Elena Piperno (A.C. Moore), stated:

> "I think people make conscious decisions about who they support and how they support them. I think people want to know if we're making a donation based on the sale of the product and if we are, where's it going? I think people are more conscious shoppers now, especially the younger generation. We're very conscious of how we connect to the millennials with branding."

Ms. Piperno went further in her analysis, talking about what she called the "Tom's effect," or the increasing pressure for corporations to keep pace by engaging in and publicizing their "give back" efforts. With such a public facing consciousness, the pressure for corporations to make donations to responsible, "worthy" organizations is increasing, as is the pressure for transparency within the donation. If a corporation must make a unanimously popular or "good" donation, it's not entirely surprising that they tend towards a few things that are universally accepted as "good."

Ms. Kelly (Ernst and Young) and Ms. Canfield (PNC) both spoke about the need to reflect individual markets at the local level, and both specified that giving was driven by individual markets. Both interviewees mentioned the arts as important to customers within the Philadelphia area, and Ms. Canfield had several specific anecdotes to illustrate the importance of the arts. She stated:

> "We (PNC) don't make funding decisions based on current or prospective client relationships. But we absolutely have gotten business as a result of doing what we've done in the arts sector."

Ms. Canfield went on to detail that the tangential results of supporting the arts were obvious within PNC's customer segments. In addition to gaining new accounts, as stated above, Ms. Canfield remarked that clients often expressed pride in being a part of PNC's arts giving. The idea of positively identifying a corporation's donation strategy is a huge part of CSR giving - proactive, pre-problem giving that is seen as an authentic expression of the organization's mission. The tension, then, lies in the intent and consequence of much corporate giving: the corporation is giving money with a mind towards "looking good," and is therefore looking for arts organizations that will strengthen their appearance in the community.

In looking for the purely positive arts relationship, there is a danger in corporate interests overstepping their reach and creating an atmosphere where they are dictating some of the content. Some funders recognize the danger and irresponsibility of acting as a censor to creative art making. Ms. Canfield stated explicitly:

> "We can't be the censor of artistic expression as a funder - that's not our role."

The intent to be removed from programmatic influence is there, however, the line can become blurry. When referencing A.C. Moore's recent work with area nonprofit Fresh Artists, Ms. Piperno stated:

> "I would love to see Fresh Artists get the national recognition that they deserve. I would love to see them expand into more schools, more teachers, and become a national organization, and I think with, the response from our first campaign, from the commitment from our company, we can get them there. We can do that together."

Ms. Piperno's offhand remark illustrates the effect that corporate interests can have on arts organizations. Regardless of Fresh Artists' mission or strategic plans, A.C. Moore views the donation process as a partnership working towards Fresh Artists' expansion, a process that's working toward national recognition for both Fresh Artists and A.C. Moore. Ms. Piperno sounded dedicated to A.C. Moore's CSR initiatives and was, perhaps, unaware of the slippery slope of corporate interest pushing nonprofit organizations in directions that they might not need or want to go.

Art as an Economic Driver

And finally, the idea of art as an economic driver was mentioned by only one of my interviewees on the corporate side. I find this result surprising, as within the arts administration world, there has been a focus on emphasizing the economic impact of the arts to corporate donors. In this limited research, my finding was that the Philadelphia area corporations that I spoke with do not accept the economic impact line of reasoning, which is consistent with the findings from the Americans for the Arts' BCA National Survey of Business Support for the Arts (Shugoll Research 2013). The exception to my research, however, was in talking with Jean Canfield from PNC. Ms. Canfield honed in on the economic message, and emphasized the arts as an economic driver that the bank had identified and wanted to continue funding, stating:

> "We have a fundamental belief that arts and culture adds to the vitality of the region, including the economic vitality of the region. And therefore as a bank, a company like a bank in the financial services company, the local economy is obviously important to us. We will thrive if people within the local economy are thriving... I think if you look at the growth in Philadelphia and the vitality of the region now, I think we can look back and say, 'Gee, arts and culture really has been a key driver of the resurgence of this region.' "

However, the importance of art as an economic driver is not necessarily one that PNC thinks is a universal truth - only three of PNC's 35 regional markets use the PNC "Arts Alive" model, and only if the area in question self-identifies as a potential arts market. If PNC unilaterally supported art as an economic driver, it would make sense for all regions to follow this pattern. PNC's Arts Alive, therefore, seems to fall more closely under another CSR lens: the idea of donating to causes that are important on a local level.

The arts seem to be important in the Philadelphia region, and therefore, PNC concentrates some of its funding in the arts sector.

Relationships

Relationships are the glue that hold together giving, both from the corporate perspective and from the arts organizations' perspective, though the two sides view relationships in a very different way. My corporate contacts quickly put arts giving in the context of expanding a professional network, highlighting the tangential benefit that giving brings. Corporate spokespeople tended to speak about relationships in terms of building a wider network of contacts and in terms of personal and professional growth.

Ms. Canfield focused on the opportunity to connect to new businesses through arts giving opportunities. While Ms. Canfield specified that direct use of arts giving to manufacture new relationships was both not ethical and superfluous to the mission of PNC's giving (ie to help build new audiences for the arts), she acknowledged that PNC's arts giving may have a tangential benefit in acquiring new business accounts through these relationships. She stated:

> "We fund groups that are not our customers, and we fund groups that we'd like to be customers, we do groups that are our customers - we really are agnostic about that - we don't make funding decisions based on current or prospective client relationships. But we absolutely have gotten business as a result of doing what we've done in the arts sector… if the goodwill of what we've done opens some doors in the community for us, then that's fabulous. And we believe that those doors have been opened, but we have to be the right business - have the right products, the right people, and we have to win that business fair and square. But if it opens up the door to consideration, both from a consumer standpoint and an institutional standpoint, that's a great thing for us."

Ms. Canfield is examining the practice of giving from a practical standpoint, looking at the good of giving, but also acknowledging that arts donations expand the network of potential clients for PNC.

Piper Kelly (Ernst and Young) also spoke about the ways in which arts giving can expand a client network. Ms. Kelly referenced her experiences with the Arts + Business Council's Business on Board program, and while acknowledging that the leadership training was excellent, Ms. Kelly focused on the opportunities that a program like Business on Board provides young professionals - a network to build one's contacts, and therefore one's personal value. Ms. Kelly shared that employees at Ernst and Young are evaluated on many metrics, but one of them is on the ways in which they build their professional network and connect outwards to members of the community. Ms. Kelly thought that this network building was of particular value both to new employees and to employees who recently moved to the area, specifying that Ernst and Young often used programs like Business on Board to get newcomers acquainted with Philadelphia – that was how she, in fact, began working with Business on Board. In this assessment of participation, giving is the means to a very specific end: a larger network, which equals a larger network of potential clients.

In addition to building a strong network, Ms. Kelly also shared that Ernst and Young views volunteerism as a driver of employee engagement, particularly among millennial employees. A recent Ernst and Young survey found that opportunities to volunteer were among the top five reasons a millennial worker chose a job. Following that finding, Ernst and Young felt a focus on volunteering would help with recruitment and retention. Arts volunteering falls into their broader education category, as the company does not have an arts focus.

Similar to Ms. Kelly's experiences, Elena Piperno (A.C. Moore) cited employee engagement as one of the drivers of their successful nonprofit partnerships. Ms. Piperno spoke about employee engagement as being crucial to raising a large amount of money in store, but also about the feeling of community engagement as creating a positive place to work. Creating good communities, both internally and externally, are a part of looking at giving through a "social responsibility" framework.

THE ARTS ORGANIZATIONS' VIEW OF CORPORATE GIVING

Like the corporate focal points, arts organizations' general foci are strategy, relationships, and brand alignment, but for arts organizations, the emphasis, regardless of genre and budget size, is on finding the right individual and managing a specific relationship. Part of the problem in finding the right person is that the structure of corporate giving personnel varies greatly from corporation to corporation. While a philanthropic arm might be found as part of informal board priorities in one corporation, it could be embedded within the marketing department in another. Understanding individual corporate structures then becomes key.

Relationships

"The interesting thing about corporate fundraising is you're just dealing with individuals at those companies."
- Elizabeth Tawadros, Director of Corporate Relationships, Philadelphia Museum of Art

Among the development professionals and executive directors of arts organizations that I spoke with throughout my research, the above sentiment was the overwhelming attitude towards corporate fundraising. That philosophical orientation leads to the underlying assumption of corporate giving relied on by many organizations: organizations are made up of people, and so giving strategies from corporate organizations must therefore be about connecting with specific people. Out of that comes several threads, including the idea that finding and understanding the right person at the corporation is the key to unlocking funds, that the smart fundraiser expands beyond finding the right person to building a "deep bench," and that giving strategies are all about relationship management.

Every arts leader spoke eloquently about finding the right person at the corporation to access corporate dollars. The arts leaders frequently did not distinguish between individual giving and corporate giving, implicitly linking corporate dollars over and over again to finding the right person at the corporation who is giving out those dollars. The arts leaders spoke about attending events, using their connections to business people to ask them to help identify the right person at the corporation to connect with about the arts. Arts leaders were generally dismissive of submitting a proposal to corporations with which they had no personal connection, unconsciously underlining the overwhelming attitude that corporate giving is based primarily on relationships. This finding is reflective of Daellenbach's research, which found that corporate funding for the arts is often based on key decision makers within the corporation (Daellenbach et al 2013). It is not, however, a particularly sustainable model, especially given that individuals can move from company to company, and a reliance on the relationship with one person may result in an abrupt end of funding if the one individual leaves.

Elizabeth Tawadros (Philadelphia Museum of Art) emphasized that the ideal corporate relationship is building a deep bench of supporters within the organization, so that if and when individuals leave, there are other key players to contact. The large staff at the Philadelphia Museum of Art, as well as the cachet surrounding the institution, makes building that bench slightly easier, as the museum has the resources to spend on relationship management and building their network.

At the core of building that deep bench is the idea of relationship management. Mr. Knapp remarked:

> "People give money to people. I am the singular, almost, vehicle at Young Playwrights through which every major dollar flows. And people believe that I am going to steward and communicate their money into the glories that are Young Playwrights. But they're giving the money to *me*. And it's because I have managed that relationship with them such that there is an amount of trust placed in me."

This is another manifestation of the importance of the individual as a vehicle for donations, and it places a huge amount of importance on the ability of an executive director to build and expand their network of connections in order to leverage the highest amount of dollars out of individuals at corporations.

Mr. Knapp's statement was echoed by Valerie Gay, executive director of Art Sanctuary. As Ms. Gay and I talked, she emphasized the importance of relationships in every dollar she has received at Art Sanctuary. Like Mr. Knapp, Ms. Gay focused on her role as a connector and as a champion of Art Sanctuary, and that she found that her role in building friendships and connections to the community at large was what increased donations from individuals and corporations.

Mimi Meserve (Arden Theater), saw the individual role in corporations in a very specific light: she saw the way in to corporate funding as through board members' connections to the community. Ms. Meserve talked about using board members as access to corporate funding, mentioning that corporations have specific sums of money set aside to help fund their employees' contributions to nonprofit organizations. Ms. Meserve's observations were an echo of Piper Kelly's (Ernst and Young) implications: corporate board members of nonprofit organizations are expected to give as an extension of their corporation, further blurring the individual/corporate line.

Strategy

"I don't think philanthropy is alive in most corporations anymore. I think it's much more a mix of bottom line driven, corporate citizenry, and marketing. And public brand awareness through cause related marketing, but not necessarily 'we're going to give you a check because you do good.' That kind of philanthropy is dying out."
- Glenn Knapp, Philadelphia Young Playwrights

With this statement, Mr. Knapp sums up the move in corporate philanthropy away from altruism towards the concepts of corporate social responsibility: mission aligned giving that is never purely for the sake of "doing good." There is a cynicism in seeing corporate philanthropy in that light, though not necessarily a cynicism that is misplaced. The idea of attracting corporate donors by matching missions and tailoring proposals to be attractive to certain corporations, or more honestly, people within those certain corporations, has begun to permeate arts organizations, though perhaps not at the level going on within the corporate world.

Each arts leader that I spoke with said that to attract corporate donors, arts organizations must tailor programs to meet the interests of the corporation, and that doing so means also understanding the corporation's priorities. While all of the leaders acknowledged the importance of this comprehension, it was relegated as secondary to finding the right person at the corporation to ask.

At the Philadelphia Museum of Art, corporate giving specialist Elizabeth Tawadros spoke about the changing priorities of large corporations, and how those shifting priorities affect dollars for the arts:

> "I've noticed a trend that companies in the area are more strategic and thoughtful in their philanthropy. They are looking at how to measure it, establish metrics, look at impact, and also think about how they can refine and define their philanthropy a little bit more. A lot more companies are establishing policies and guidelines for philanthropy... It's not we're a corporation who is philanthropically minded and you are a nonprofit therefore we will give you money. It tends to be less transactional and more of a partnership. And more of a very specific partnership that is around us helping those organizations achieve charitable goals."

Ms. Tawadros is summarizing the state of philanthropy, highlighting that move towards measuring impact and implementing the corporation-wide foci and policies that codify philanthropic giving in the CSR age. Recognized as a specific set of priorities, Ms. Tawadros states that the Philadelphia Museum of Art does the logical thing in requesting money: it tailors proposals to fit the stated interests of the corporation. Identifying priorities and tailoring proposals to the individual corporation is a practice common among most arts organizations, and Mimi Meserve, from the Arden Theater, echoed the idea of tweaking proposals to fit each corporation's stated focal areas. The fascinating thing, however, is when corporations do not have stated goals. Ms. Tawadros stated:

> "If they don't have a charitable focus per se, I just talk about a few different things, and see where people chime in."

Ms. Tawadros' comment highlights one of the significant differences in how arts organization employees talk about corporate giving: they see it as giving done by an individual, again, a finding strongly in line with the Daellenbach's research (Daellenbach et al 2013). While strategy plays a role in identifying and connecting with the right organizations, arts leaders continually circle back to the idea that it is the individual at the corporation who can make the difference.

Brand

The concepts of brand and public image, while so important to the corporate representatives I spoke with, did not come up in talking with arts leaders. Arts organization leaders were knowledgeable about marketing dollars, and, Ms. Meserve and Ms. Tawadros, corporate giving directors at large organizations in Philadelphia in particular, were tuned in to the particular statistics and numbers that corporations were interested in - metrics like number of web-based impressions and clicks per ad, for example. Beyond the understanding of marketing, though, most arts leaders did not speak about branding as a particular hook for corporations. The balance here is odd and delicate: corporations want to give to enhance their image, nonprofits want money to continue their programming uninfluenced by outside forces. Within that basis of program-specific money, it seems like a misalignment to be thinking about how to enhance a corporate image through support of the arts, particularly in the ways in which that can quickly disintegrate into programmatic interest and control. There seems to be an ethical gray area at this intersection, an area where the interests of the two parties, for profit groups and non-profit groups, do not match and may not ever match without discomfort. If there were no ethical concerns about matching in this way, my advice to organizations going after corporate money would be to show explicitly how corporate patronage would enhance the corporate brand. However, I am uncomfortable recommending this course of action, as it seems counterintuitive and, frankly, dishonest, to pursue what is termed a gift and turn it into a brand strengthening exercise for the corporation.

CHAPTER IV: CONCLUSIONS AND RECOMMENDATIONS

At the beginning of my research, I set out to discover whether corporate social responsibility was a useful, appropriate, and/or necessary method for arts organizations to connect with corporate dollars. My earliest assumption, that there was a natural alignment between corporate giving and arts organizations, is not quite correct: there is a level of nuance within corporate giving that I did not appreciate at the outset.

Corporations view their giving strategically, looking at the entire picture of an arts nonprofit, including the nonprofit's work, its perceived role within the community, its audience, its general name recognition, and its general alignment with the corporation's stated mission and goals before a gift is considered and given.

Corporate giving is simultaneously benevolence and brand enhancement, and I found that it was very difficult to distinguish between the gift and the benefits surrounding the giving. Giving to the community furthers the interests of the corporation by cementing the corporation's positive image within the community. Altruism, in its purest sense, no longer governs giving from the corporate standpoint, but has morphed into something else: the idea that giving to the community is "doing well by doing good," or, a corporation's donations (eg its "good deeds") improve its bottom line ("doing well"). This change reflects the tenets of corporate social responsibility, as it looks at a corporation's place and effect in the world.

Within Philadelphia, the precepts, though not necessarily the lingo, of CSR are increasingly used by corporate entities. However, arts organizations are generally not using a CSR lens to evaluate and strengthen their giving. The general CSR mix of gift tinged with corporate enhancement makes many nonprofit organizations uncomfortable, but there is room to evaluate and adjust the general approach towards corporate giving, and to find areas of natural alignment, particularly through the CSR lens.

One of the major issues creating a divide between corporate gifts and arts organization asks is the orientation of the ask. Corporations start their giving with an inward focus, determining what giving will align most appropriately with their mission, what giving will be looked on favorably within the community, and what giving will strengthen their own reputation. Arts organizations start their asks with an outward focus, looking at how they can meet the right person to unlock corporate dollars, and manage the relationship with that person to the maximum effect. While I do not think arts organizations are wrong to focus on expanding networks to build a large circle of individual and corporate support, I believe there may be several ways to better enter in to the corporate mindset and help to leverage corporate dollars.

UNDERSTANDING IMAGE AND ALIGNMENT

Arts nonprofits rely on personal connections to achieve corporate donations, but given how quickly people move from place to place, both in the corporate world and in the arts world, trusting solely in who you know is not a sustainable plan for corporate support of the arts. Arts organizations can become savvier about their pitches, working to stretch corporate support beyond the individual donor by broadening their pitch to emphasize why and how the missions of the nonprofit and the corporation align in the community. When arts nonprofits highlight these areas of alignment, they are putting their support behind a third entity, the community, an entity which both corporations and nonprofits seek to support.

Corporations and arts organizations are cognizant of their reputations, and seek associations with other organizations that also have a positive reputation in the community. Both corporate and nonprofit companies are seeking to build brand equity, attracting audiences back through positive name recognition. While it would be ethically questionable to pursue corporate dollars by promoting how the arts organization can enhance the corporation's reputation and brand, arts organizations could capitalize on image in a more positive, collaborative way. Arts organizations can start by demonstrating who they are within the community, and emphasize their image and place within the community. Arts organizations can then focus on how a partnership benefits the community – something that both the arts organization and the corporation seek. If corporations are deciding their giving in part based on best fit, arts organizations help themselves by drawing clear parallels between the work they do and the community goals set out by the corporation – highlighting that both the arts organization and the corporation have a vested interest in the community surrounding them. This alignment is the sweet spot of giving, as arts organizations and corporations are finding common ground through a third space: common community goals.

FOCUSING ON THE LONG TERM

The difference between a corporation's focus on the long term effect and the arts administration world's focus on short term economic boost could be one of the central disconnects that are not allowing a larger range of corporate support to flow to arts organizations. This is, again, beyond the scope of this thesis to name this as a definitive answer, and further research is required to prove or disprove the hypothesis.

However, a focus on long-term outcomes may be an attractive element to corporations who are concerned with the trajectory of a city, and particularly in Philadelphia, where poverty crushes the overall economic outlook of the city. Arts organizations could easily explore how their programming interrupts the cycle of poverty without compromising their mission-based programming, while corporations might be interested in seeing evidence of a nonprofits' strategic vision and projected effect on the region's future.

Many arts nonprofits already track some data, often about tangible statistics, like audience composition by age, gender, and region. Looking beyond that data set, it would be fascinating and useful to start tracking longer term metrics – things like the college graduation rate of students in a theater program, the employment rate after five years of youth in an arts-based work-readiness program, or the affect of an arts organization on a resident's choice to stay in a neighborhood.

STRENGTHENING A PLACE

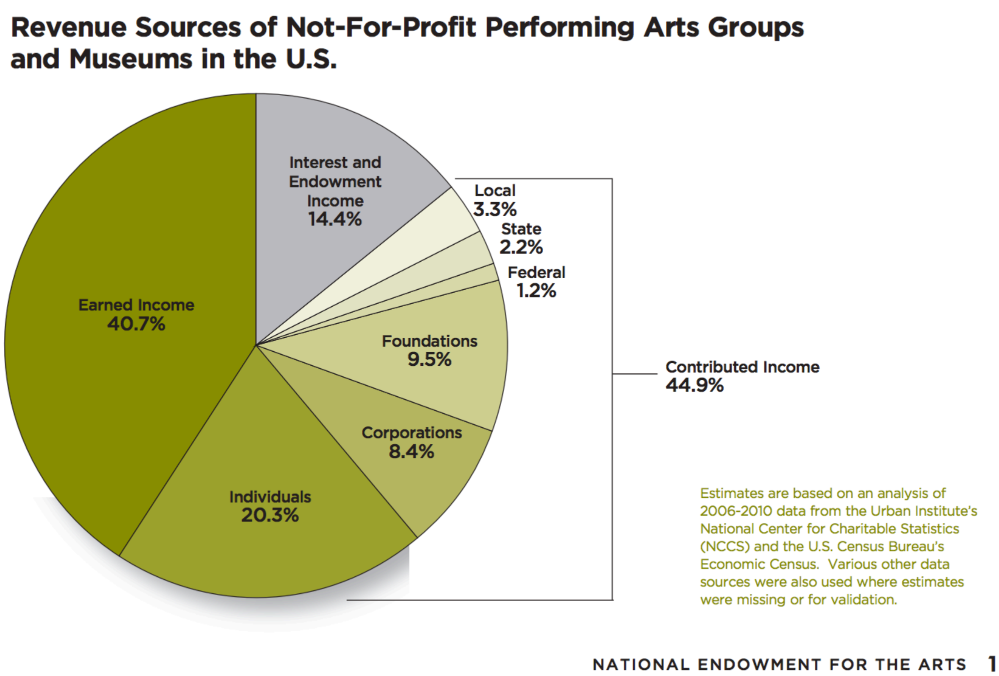
Corporations interviewed for this thesis, as well as individuals at arts organizations, emphasized that corporations want to have a noticeable effect on their community and be recognized for their work. Within that desire is an authentic match between the corporation and the arts organization: the strengthening of a community and its vibrancy through arts and culture. This could be particularly effective for small and mid sized organizations, as a corporate donation can make a huge, measurable impact on programmatic work. Within that impact, both sides are achieving their goals: arts organizations have increased funding for programmatic and community impact, while corporate representatives can both view the impact and see the community strengthened. I would suggest that organizations focus their proposals on how the community can be impacted and strengthened by corporate contributions, and propose metrics that monitor the impact. Quantitative and qualitative research examining how residents feel about their community after a show could help both arts organizations and corporations understand what type of community impact the programming is having. In addition, effective evaluations could focus on measuring the long term impact of an organization's programming, tracking audience support of a space over a number of years to understand how the organization impacts the area.

For larger organizations, where the same donor dollars would not generate as large an impact as with the smaller organizations, I would suggest a corporate proposal focus on creating an attractive, liveable community. Multiple corporate contacts interviewed for this thesis made the argument that the arts create a community that attracts talented individuals, giving the corporation a wider talent pool for hiring, and also making a region an attractive place in which to relocate.

Corporations and arts nonprofits value a thriving community, and strengthening a community and creating a vibrant place are areas in which the arts excel. Finding these areas of alignment within the community is one of the best ways for arts organizations to capitalize on corporate social responsibility in a way is both ethical and smart, increasing the life of the arts and arts organizations by working with corporations to achieve community strength.

APPENDIX A

According to the National Endowment of the Arts (Woronkowicz, 2012), contributed income makes up 44.9% of the income for not-for-profit performing arts groups and museums. Corporations' 8.4% contribution to the entire funding pot is divided by contributed income (44.9%), to reach the 18.7% contributed income giving percentage. This calculation was made expressly to contrast the Philadelphia area corporate contributed income percentage of 2.2%



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